

PATENT ASSIGNMENT

Electronic Version v1.1

Stylesheet Version v1.1

SUBMISSION TYPE:

NEW ASSIGNMENT

NATURE OF CONVEYANCE:

SECURITY AGREEMENT

CONVEYING PARTY DATA

Name	Execution Date
KEVIN C HARMON	03/30/2005

RECEIVING PARTY DATA

Name:	SENSORMEDICS CORPORATION, AS COLLATERAL AGENT
Street Address:	22745 SAVI RANCH PARKWAY
Internal Address:	ATTENTION: EDWARD PULWER
City:	YORBA LINDA
State/Country:	CALIFORNIA
Postal Code:	92887

PROPERTY NUMBERS Total: 13

Property Type	Number
Application Number:	10658769
Application Number:	10876480
Application Number:	10889324
Application Number:	10940989
Application Number:	10940990
Application Number:	10880521
Application Number:	10392959
Patent Number:	5533506
Patent Number:	6478026
Patent Number:	6595215
Patent Number:	6776162
Patent Number:	6807967
Patent Number:	6863069

CORRESPONDENCE DATA

PATENT

500025681

REEL: 015841 FRAME: 0784

CH \$520.00 10658769

Fax Number: (213)896-6600

Correspondence will be sent via US Mail when the fax attempt is unsuccessful.

Phone: 213-896-6769

Email: kbernstein@sidley.com

Correspondent Name: SIDLEY AUSTIN BROWN & WOOD

Address Line 1: 555 W. FIFTH STREET

Address Line 2: ATTN: KIM BERNSTEIN, LEGAL ASSISTANT

Address Line 4: LOS ANGELES, CALIFORNIA 90013

NAME OF SUBMITTER:

KIM BERNSTEIN, LEGAL ASSISTANT

Total Attachments: 8

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SECURITY AGREEMENT

THIS SECURITY AGREEMENT ("Agreement") is entered into as of March 30, 2005 by and between Kevin C. Harmon, on behalf of himself individually, and, to the extent such rights exist thereunder, on behalf of Breathing Technologies Corp. and Breathing Technologies of Georgia, Inc., on the one hand, (collectively and jointly and severally, the "Grantor"), and SensorMedics Corporation ("SMC"), for its own benefit and as collateral agent for Viasys Healthcare Inc. ("Viasys Healthcare"), and any parent, subsidiaries, successors and assigns of SMC or Viasys Healthcare (collectively with SMC and Viasys Healthcare, ("Viasys")).

WITNESSETH:

WHEREAS, the Grantor and Viasys are parties to a "Binding Agreement" of even date herewith pursuant to which, among other things, Viasys has obtained exclusive license rights in respect of the Grantor's interest in certain patents and other intellectual property interests;

WHEREAS, Grantor has filed suit against InnoMed Technologies, Inc. ("InnoMed") and Thomas J. Wood in Georgia ("the Harmon Litigation"), thereby claiming an ownership interest in certain "Licensed Patents" (as defined in the Binding Agreement);

WHEREAS, pursuant to the Binding Agreement, Viasys has undertaken certain obligations and responsibilities in respect of the Harmon Litigation in consideration of the licenses to the Licensed Patents and other intellectual property rights granted by Grantor to Viasys, and for other good and valuable consideration inuring to the benefit of both parties thereto, the receipt and sufficiency of which has been acknowledged by the parties thereto;

WHEREAS, Viasys has required the Grantor to execute and deliver this Agreement in order to secure (i) the Grantor's material obligations to Viasys under the Binding Agreement with respect to claims and causes of action under the Harmon Litigation, (ii) the Grantor's obligations to Viasys under the Binding Agreement with respect to the Exclusive License and Grantor's proprietary rights and interests under the Licensed Patents, and (iii) the Grantor's payment obligations under the Binding Agreement (collectively in respect of clauses (i)-(iii) above, the "Liabilities"), and (iv) as a condition precedent to the making of any advances and any other financial accommodations by Viasys under the Binding Agreement in respect of the Harmon Litigation;

NOW, THEREFORE, in consideration of the premises set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Grantor agrees as follows:

1. Defined Terms.

(a) Unless otherwise defined herein, each capitalized term used herein that is defined in the Binding Agreement shall have the meaning specified for such term in the Binding Agreement.

(b) The words "hereof," "herein" and "hereunder" and words of like import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and paragraph references are to this Agreement unless otherwise specified.

(c) All terms defined in this Agreement in the singular shall have comparable meanings when used in the plural, and vice versa, unless otherwise specified.

2. Incorporation of Premises. The premises set forth above are incorporated into this Agreement by this reference thereto and are made a part hereof.

3. Security Interest in Collateral. To secure the complete and timely performance and satisfaction of all of the Liabilities, the Grantor hereby grants to SMC a security interest in, as and by way of a first mortgage and security interest having priority over all other security interests, with power of sale to the extent permitted by applicable law, all of the Grantor's now owned or existing and hereafter acquired or arising (collectively, the "Collateral"):

(i) patents and patent applications, and the inventions and improvements described and claimed therein listed on Schedule A attached hereto and made a part hereof and all patents and patent applications claiming priority thereto, and (a) all continuations, continuations-in-part, divisions, parents, reissues, reexaminations, and foreign counterparts thereof, (b) all income, royalties, damages and payments now and hereafter due and/or payable under and with respect thereto, including, without limitation, payments under all licenses entered into in connection therewith and damages and payments for past or future infringements thereof, (c) the right to sue for past, present and future infringements thereof, and (d) all of the Grantor's rights corresponding thereto throughout the world (all of the foregoing patents and applications, together with the items described in clauses (a)-(d) in this paragraph 3(i) are sometimes hereinafter individually and/or collectively referred to as the "Patents");

(ii) all of Grantor's right, title and interest in or under any and all intangibles, discoveries, inventions, goodwill, and other intellectual property rights embodied by the Patents; and

(iii) all of Grantor's right, title and interest in or under any claims, causes of action (asserted or that could be asserted), recoveries, costs, damages, proceeds, specific performance for the benefit of Grantor, injunctions granted in favor of Grantor, and judgments, but not any liabilities whatsoever, under the Harmon Litigation.

4. Restrictions on Future Agreements. The Grantor shall not, without SMC's prior written consent, enter into any agreement, including, without limitation, any license agreement in respect of the Collateral, including without limitation the Patents, which is inconsistent with the Binding Agreement, and the Grantor further agrees that it will not take any action, and will use its best efforts not to permit any action to be taken by others, including, without limitation, licensees, or fail to take any action, which would in any respect affect the

validity or enforcement of the rights transferred to SMC as security under this Agreement or the rights associated with the Collateral, including without limitation the Patents.

5. No Liens, Transfer. The Grantor represents and warrants that, as of the effective date of this Agreement, no liens, claims or security interests in the Collateral have been granted by the Grantor, nor has there been any transfer or assignment of any Collateral, to any person or entity other than SMC.

6. Further Assignments, License. The Grantor agrees not to sell, assign, or license its respective interests in any Collateral in a manner inconsistent with the terms and conditions of the Binding Agreement.

7. Further Assurances. The Grantor hereby authorizes (or execute and deliver, as applicable) SMC, at SMC's expense, to file all financing statements, including without limitation any statements required under the Uniform Commercial Code, and other instruments and take such other actions as may be necessary or proper to give effect to the intent of the parties under this Agreement, including without limitation to perfect SMC's security interest in the Collateral.

8. Nature and Continuation of SMC's Security Interest; Termination of SMC's Security Interest. This Agreement is made for collateral security purposes only. This Agreement shall create a continuing security interest in the Collateral and shall terminate only upon termination of the Binding Agreement in accordance with the terms thereof, except that a termination by Viasys for breach thereof by Harmon shall not effect a termination of this Agreement. When this Agreement has terminated, SMC shall promptly authorize (or execute and deliver, as applicable) to the Grantor, at SMC's expense, all termination statements and other instruments and take such other actions as may be necessary or proper to terminate SMC's security interest in the Collateral, subject to any disposition thereof which may have been made by SMC pursuant to this Agreement.

9. Event of Default. An "Event of Default" or a "Default" shall occur if Harmon commits a material breach of (a) the Binding Agreement, which is not cured within the applicable cure period, or (b) this Agreement, provided that Viasys gives the Grantor notice in writing and the opportunity to cure such breach within a 30-day period, and provided further that the Grantor fails to cure the breach within such 30-day period. The occurrence of a Bankruptcy Event shall be a material breach of the Binding Agreement and an Event of Default hereunder without further notice to or opportunity to cure by the Grantor.

10. Waivers. SMC's failure, at any time or times hereafter, to require strict performance by the Grantor of any provision of this Agreement shall not waive, affect or diminish any right of SMC thereafter to demand strict compliance and performance therewith nor shall any course of dealing between the Grantor and SMC have such effect. No single or partial exercise of any right hereunder shall preclude any other or further exercise thereof or the exercise of any other right. None of the undertakings, agreements, warranties, covenants and representations of the Grantor contained in this Agreement shall be deemed to have been suspended or waived by SMC unless such suspension or waiver is in writing signed by an officer of SMC and directed to the Grantor specifying such suspension or waiver.

11. Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but the provisions of this Agreement are severable. If any clause or provision shall be held invalid and unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part hereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Agreement in any jurisdiction.

12. Modification. This Agreement cannot be altered, amended or modified in any way, except by a writing signed by the parties hereto.

13. Cumulative Remedies; Power of Attorney. Following the occurrence and during the continuance of an Event of Default, the Grantor hereby irrevocably designates, constitutes and appoints SMC (and all Persons designated by SMC in its sole and absolute discretion) as the Grantor's true and lawful attorney-in-fact to accomplish the purposes of this Agreement, and authorizes SMC and any of SMC's designees, in the Grantor's or SMC's name, to take any action and execute any instrument which SMC may deem necessary or advisable to accomplish the purposes of this Agreement, including, without limitation, after the giving by SMC of written notice to the Grantor of SMC's intention to enforce its rights and claims against the Grantor, to (i) endorse the Grantor's name on all applications, documents, papers and instruments necessary or otherwise desirable for SMC in respect of the Collateral, (ii) assign, pledge, convey or otherwise transfer title in or dispose of the Collateral to anyone on commercially reasonable terms, (iii) grant or issue any exclusive or nonexclusive license under the Patents or other Collateral, to the extent permitted, to anyone on commercially reasonable terms, and (iv) take any other actions with respect to the Collateral as SMC deems in its own or in Viasys' best interest. The Grantor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney is coupled with an interest and shall be irrevocable until all of the Liabilities (other than contingent Liabilities) shall have been satisfied in full. The Grantor acknowledges and agrees that this Agreement is not intended to limit or restrict in any way the rights and remedies of SMC or Viasys under the Binding Agreement, but rather is intended to facilitate the exercise of such rights and remedies.

SMC shall have, in addition to all other rights and remedies given it by the terms of this Agreement, all rights and remedies allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in any jurisdiction in which the Collateral may be located or deemed located. Upon the occurrence of a Default and the election by SMC to exercise any of its remedies under the Uniform Commercial Code with respect to the Collateral, including without limitation the Patents, the Grantor agrees to assign, convey and otherwise transfer title in and to the Collateral, including without limitation the Patents, to SMC or any transferee of SMC and to execute and deliver to SMC or any such transferee all such agreements, documents and instruments as may be necessary, in SMC's sole discretion, to effect such assignment, conveyance and transfer. All of SMC's rights and remedies with respect to the Collateral, whether established hereby, by the Binding Agreement, by any other agreements or by law, shall be cumulative and may be exercised separately or concurrently. Notwithstanding anything set forth herein to the contrary, it is hereby expressly agreed that upon the occurrence and during the continuance of a Default, SMC may exercise any of the rights and remedies provided in this Agreement and the Binding Agreement. The Grantor agrees that any

notification of intended disposition of any of the Collateral required by law shall be deemed reasonably and properly given if given at least ten (10) days before such disposition. Notwithstanding anything herein to the contrary, in no event shall the rights and remedies of Viasys or any of their respective designees or representatives, granted hereunder or under the Binding Agreement, be construed to permit any such Person to take any action or fail to act in violation of any law or other agreement or document covering any of the Collateral.

14. Successors and Assigns. This Agreement shall be binding upon the Grantor and its heirs, executors, successors and assigns, provided, however, that the Grantor shall not voluntarily assign or transfer its rights or obligations hereunder without SMC's prior written consent, and shall inure to the benefit of each of SMC and Viasys and their respective nominees, successors and assigns. Successors and assigns include, without limitation, a trustee or similar person appointed in a bankruptcy proceeding.

15. Governing Law. This Agreement shall be construed and enforced and the rights and duties of the parties shall be governed by in all respects in accordance with the choice of law and venue provisions set forth in the Binding Agreement.

16. Notices. All notices or other communications hereunder shall be given in the manner and to the addresses set forth in the Binding Agreement.

17. Section Titles. The section titles herein are for convenience of reference only, and shall not affect in any way the interpretation of any of the provisions hereof.

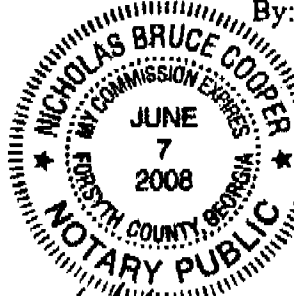
18. Execution in Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

19. Merger. This Agreement, together with the Binding Agreement, represents the final agreement of the Grantor and SMC with respect to the matters contained herein and may not be contradicted by evidence of prior or contemporaneous agreements, or subsequent oral agreements, between the Grantor and SMC or Viasys.

The remainder of this page is intentionally blank.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement
as of the day and year first above written.

By: Kevin C. Harmon 3/30/05
Kevin C. Harmon, on behalf of himself
individually and also on behalf of any entity,
including, without limitation, Breathing
Technologies Corp. and Breathing
Technologies of Georgia, Inc., in which
Harmon has or might have an ownership
interest and/or the right or authority to grant
this security.


Nicholas B. Cooper
3/30/2005

Accepted and agreed to as of the day and year first
above written.

SENSORMEDICS CORPORATION,
as collateral agent for Viasys Healthcare Inc., and
its parents, subsidiaries, successors and assigns

By: _____
Name:
Title:

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement
as of the day and year first above written.

By: _____
Kevin C. Harmon, on behalf of himself
individually and also on behalf of any entity,
including, without limitation, Breathing
Technologies Corp. and Breathing
Technologies of Georgia, Inc., in which
Harmon has or might have an ownership
interest and/or the right or authority to grant
this security.

Accepted and agreed to as of the day and year first
above written.

SENSORMEDICS CORPORATION,
as collateral agent for Viasys Healthcare Inc., and
its parents, subsidiaries, successors and assigns

By: Edward Palawa
Name:
Title: President Respiratory Care

Schedule A

to

Security Agreement

Dated as of March 30, 2005

Patents and Patent Applications

United States Patent Nos.:

PATENTS

5,533,506
6,478,026
6,595,215
6,776,162
6,807,967
6,863,069

APPLICATIONS

<i>Serial No.</i>	<i>Filed</i>
10/658,769	09/10/03
10/876,480	06/28/04
10/889,324	07/13/04
10/940,989	09/15/04
10/940,990	09/15/04
10/880,521	07/01/04
10/392,959	03/21/03